

Message Text

UNCLASSIFIED

PAGE 01 CAIRO 15257 161625Z
ACTION AGRE-00

INFO OCT-01 EUR-12 NEA-11 ISO-00 EB-08 COME-00 L-03
TRSE-00 AID-05 IO-14 ICAC-00 SSO-00 NSCE-00
CIAE-00 INR-10 NSAE-00 INRE-00 /064 W
-----101065 161641Z /64
O 161608Z JUN 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 0435
INFO AMEMBASSY PARIS

UNCLAS CAIRO 15257

DEPT PASS AID AND USDA/OGSM

PARIS FOR AGATTACHE

E.O. 11652:N/A
TAGS: EPAP, EAID, ETRD, EG, US
SUBJECT: CONDITION DISPUTE RE WHEAT FLOUR BETWEEN
- PILLSBURY AND ESTRAM - PA EG-7000 I

REFS (A) STATE 151820, (B) CAIRO 15176, (C) FASTO 164

1. ON 6/16, WE RECEIVED FOLLOWING TELEGRAM FROM
THIONVILLE LABORATORIES, NEW ORLEANS, LOUISIANA.
(TELEGRAM IS ALSO ADDRESSED TO OGSM/PL-480/USDA):
QUOTE. RE PILLSBURY BAGGED FLOUR FOR EGYPT EX M.V.
EVANGELISTRIA BUG INFESTATION. THIONVILLE LABORATORIES
PERFORMED IN BEAUMONT, TEXAS INSPECTION, SAMPLING,
WEIGHING AND ANALYSIS OF ABOVE SHIPMENT. AT TIME OF
INSPECTION, IT WAS FOUND BOTH BY THIONVILLE AND USDA
THAT FLOUR WAS FREE OF INFESTATION AS PER USDA PHYTO-
SANITARY CERTIFICATE NO. 351690 DATED APRIL 10, 1978,
ISSUED AT PORT ARTHUR, TEXAS. IT IS AT THIS STAGE
THAT OUR FUNCTION STOPS, I.E., WE ARE NOT INVOLVED
(THROUGH WOULD LIKE TO BE) IN SHIP HOLDS INSPECTIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CAIRO 15257 161625Z

NOR ARE WE PRESENT DURING SHIP LOADING. IT IS MY UNDER-
STANDING THAT NOW THOSE FUNCTIONS ARE COVERED WITH GR-116
CERTIFICATE. AT TIME OF SHIP LOADING, IT WAS DISCOVERED
THAT CERTAIN SHIPS HOLDS AND PART OF CARGO ON WHARF WAS
INFESTED WITH BUGS, A CONDITION WHICH WE ARE TOLD WEEKS
LATER. SUBSEQUENTLY, I AM TOLD THAT CARGO WAS FUMIGATED
AS A RESULT OF THIS INFESTATION WHICH WAS NOT PRESENT

AT TIME OF OUR OR USDA INITIAL INSPECTION. THE GENERAL ORGANIZATION FOR SUPPLY GOODS, CAIRO, THROUGH THE PERSON OF MR. A. .FAWZI EL KADY HAS ARBITRARILY WITHOUT TRULY UNDERSTANDING OUR FUNCTION BLACKLISTED MY COMPANY. WE ARE ONLY INDEPENDENT INSPECTORS AND CAN ONLY REPORT WHAT WE SEE AT TIME OF INSPECTION IF SELLER-BUYER WISHES. END QUOTE.

2. SHORTLY AFTER RECEIPT OF TELEGRAM, AGATTACHE CAIRO WAS VISITED BY MR. MOHAMED FATHI GALAL, VICE PRESIDENT, COMIBASSAL INTERNATIONAL, 40 SAFIA ZAGLOUL, ALEXANDRIA, P.O. BOX 159, TELEX 54110 BASSAL UN, TELEPHONES 30665 AND 21691. COIBASSAL ARE CONTROLLERS AND REPRESENT THIONVILLE IN EGYPT. MR. GALAL SUBSTANTIALLY REPEATED SAME STORY AS CONTAINED IN TELEGRAM AND ADDED THAT HIS FIRM HAS ALSO BEEN BLACKLISTED BY MR. EL KADY ON BEHALF OF GENERAL AUTHORITY FOR SUPPLY COMMODITIES (CORRECT NAME).

3. WE ARE NOT EXPERTS ON GRAIN TRADING PRACTICES, AND HAVE NOT SEEN CONTRACT COVERING PILLSBURY SALE IN QUESTION. HOWEVER, ASSUMING FACTS ARE AS STATED IN TELEGRAM FROM THIONVILLE, IT WOULD APPEAR TO US THAT USDA PHYTOSANITARY CERTIFICATE IS CONCLUSIVE PROOF THAT PILLSBURY SATISFACTORILY PERFORMED ITS CONTRACT AS FAS SELLER, AND HAD EVERY RIGHT TO DEMAND FULL UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CAIRO 15257 161625Z

PAYMENT OF LETTER OF CREDIT AND RELEASE OF PERFORMANCE BOND UPON PRESENTATION OF THAT AND ANY OTHER NECESSARY DOCUMENTS. WE ARE AT A LOSS TO UNDERSTAND WHY NEITHER PILLSBURY REPRESENTATIVE BEAUDART ISSA, WHO SPENT OVER TWO WEEKS IN CAIRO TRYING TO SETTLE DISPUTE, NOR THIS MISSION WERE EVER TOLD THAT USDA HAD ISSUED "CLEAN" PHYTOSANITARY CERTIFICATE. INDEED, AS POINTED OUT IN PARAGRAPH 3 OF REFTEL (C), ISSA ASSUMED THAT FAILURE OF PILLSBURY TO PRODUCE "CLEAN" DOCUMENTS MEANT THAT THEY DID NOT HAVE THEM.

4. AS REPORTED REFTEL (B), PARTIES TO DISPUTE HAVE APPARENTLY REACHED SETTLEMENT ACCEPTABLE TO BOTH SIDES. HOWEVER, IF SO INSTRUCTED BY WASHINGTON, AND ASSUMING FACTS ARE CORRECTLY STATED IN THIONVILLE TELEGRAM, WE ARE PREPARED TO INTERVENE AGAIN ON BEHALF OF PILLSBURY AND REQUEST GOE TO IMMEDIATELY PAY LETTER OF CREDIT IN FULL AND RELEASE PERFORMANCE BOND. IF SO INSTRUCTED, WE WILL ALSO ASK FOR PAYMENT TO PILLSBURY OF INTEREST CHARGES INCURRED (APPROXIMATELY DOLLARS 34,000 TO DATE) BY FAILURE OF GOE TO AUTHORIZE PAYMENT AGAINST LETTER OF CREDIT WHEN DUE OR

RELEASE TO DATE OF PERFORMANCE BOND.

5. IN LIKE MANNER, UPON INSTRUCTIONS FROM WASHINGTON, WE ARE PREPARED TO ASK WHY THIONVILLE AND COMIBASSAL WERE BLACKLISTED AND, DEPENDING UPON EXPLANATION, MAKE REPRESENTATIONS ON THEIR BEHALF AND ASK THAT THEY BE ALLOWED TO COMPETE FOR FUTURE BUSINESS WITH EGYPT.

6. WE ARE LISTING AMEMBASSY PARIS AS INFO ADDRESSEE IN EVENT WASHINGTON AGENCIES WISH TO AUTHORIZE THAT POST TO RELEASE MESSAGE TO ISSA, PRESENTLY RESIDING AT HOTEL PRINCE DE GALLES, 33 AVENUE GEORGES V, PARIS 75008, TELEPHONE 7235511. EILTS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, WHEAT, FLOUR
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CAIRO15257
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780252-0318
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780652/aaaabsmsg.tel
Line Count: 128
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 732ae287-c288-dd11-92da-001cc4696bcc
Office: ACTION AGRE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 151820, 78 CAIRO 15176
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2326946
Secure: OPEN
Status: NATIVE
Subject: CONDITION DISPUTE RE WHEAT FLOUR BETWEEN - PILLSBURY AND ESTRAM - PA EG-7000 I
TAGS: EPAP, EAID, ETRD, EG, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/732ae287-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014